

**MINUTES of the  
DELAWARE ECONOMIC & FINANCIAL ADVISORY COUNCIL**

**Buena Vista – March 21, 2011**

**Attendance:**

<b>Member</b>	<b>Present</b>		<b>Member</b>	<b>Present</b>
J. Bullock	Yes		R. Larson	No
L. Davis Burnham	Yes		A. Levin	No
R. Byrd	Yes		K. Lewis	Yes
J. Casey	No		D. Link	No
N. Cook	Yes		A. Lubin	Yes
T. Cook	Yes		J. Martin	Yes
R. Cordrey	Yes		C. Morgan	Yes
R. Davis	Yes		W. Oberle	No
R. Derrickson	No		J. Polidori	Yes
J. DiPinto	No		E. Ratledge	Yes
F. Dixon	No		T. Shopa	Yes
B. Fasy	No		G. Simpson	Yes
C. Flowers	Yes		A. Staton	Yes
R. Gilligan	Yes		D. Swayze	Yes
R. Glen	Yes		A. Visalli	Yes
G. Hindes	No		C. Wicks	No
J. Horty	Yes		D. Williams	No
D. Hudson	No			

**Members in Attendance: 22**

**Members Absent: 13**

**Others Present:** N. Adams, E. Benner, B. Boyle, K. Callahan, P. Carter, M. Casey, J. Craig, C. Erickson, P. Flora, D. Gregor, C. Heiks, C. Kempista, S. Kubico, O. Masood, B. Maxwell, S. McVay, B. Scoglietti, S. Scola and members of the press.

**Opening Business:** Mr. Martin called the meeting to order at 3:00 p.m.

The minutes from the December meeting were approved as submitted.

Mr. Martin introduced two new members to the Council, Mr. Chip Flowers and Mr. Andrew Staton.

**Expenditure Subcommittee:**

Mr. Ratledge presented the Expenditure Subcommittee's report. He reviewed the Functional method. He noted that the Salary amount had increased from FY2010 due partly to the pay increase. Mr. Ratledge stated that the increase in Grants was partly attributed to accounting changes which affected this category. The increase in Medicaid was attributed to the reduction in Federal support. (See Table 1b for complete details.)

Mr. Ratledge reviewed the Balance Sheet estimate of \$3,371.3 million. The Reversion estimate remains at \$40.0 million; Encumbered remains at \$36.0 million and Continuing is reduced from \$240.6 million to \$169.0 million (See Table 1a for complete details).

A motion was made, seconded and approved to accept \$3,371.3 million as the expenditure estimate for FY2011. This represents an increase of \$71.6 million from December's estimate.

For informational purposes, Mr. Ratledge reviewed 3 charts which tracked Delaware revenues and expenditures.

**Revenue Subcommittee:**

Mr. Lewis presented the Revenue Subcommittee's report.

**Economic Outlook**

Mr. Craig reviewed that the Global Insight March forecast. For FY2011, there has been little change since December. The real GDP growth rate has been increased from 2.7% to 2.9%. FY2012 Real GDP growth increased from 2.6% to 3.2%. This was largely attributed to the Federal tax legislation enacted in late December. The forecast for Personal Income has been inflated largely due to the impact of reducing the payroll tax in CY2011. Inflation has become more of concern due largely to increases in food and energy prices. The growth rate for Delaware employment was increased in FY2011. Better than expected growth in the Leisure and Hospitality sector was noted. The employment growth rate was slightly reduced in FY2012 partly due to recently announced layoffs in the Finance sector.

Mr. Lewis stated that the FY2011 forecast for Real GDP had increased from 2.2% to 2.7% in December and revenue growth rates were adjusted upward at that time. Mr. Lewis noted that, because of concerns about the potential impact oil supply shocks and concerns about Japan, no additional adjustments to out year growth rates were deemed warranted at this time.

**General Fund Revenues - Fiscal Year 2011:**

The Revenue Subcommittee recommended the following updates to December's estimates:

**FY 2011**

Revenue Category	Dec-10	Mar-11	Change
Bank Franchise Tax	76.3	115.4	39.1
Corporation Income Tax	175.8	200.0	24.2
CIT Refunds	(65.0)	(55.0)	10.0
Lottery	272.8	282.0	9.2
Estate Tax	24.0	15.0	(9.0)
Other Refunds	(52.7)	(58.2)	(5.5)
Insurance Taxes	50.5	55.5	5.0
Cigarette Taxes	133.0	129.5	(3.5)
Corporate Fees	79.8	83.0	3.2
Personal Income Tax	1,136.7	1,139.8	3.1
Realty Transfer Tax	42.5	45.0	2.5
Other Revenues	126.9	129.4	2.5
Hospital Board and Treatment	71.4	69.7	(1.7)
Public Utility Tax	59.5	59.0	(0.5)

For a complete listing of FY 2011 estimates, see Table 2.

**Discussion of FY 2011 Estimates:**

**Personal Income Tax:** Mr. Lewis stated that, while net collections are little changed from December, Withholding is tracking well and Estimated payments and Final returns are tracking behind.

**Corporate Income Tax:** Mr. Lewis said that there was increased audit collections and tracking strength in this category. He noted that this is a very volatile category and coming out of recession often corporate balance sheets improve before new hiring begins.

**Bank Franchise Tax:** Mr. Lewis stated that a few taxpayers accounted for a large part of this increase and that March 1<sup>st</sup> final settlements were up much more than anticipated. He noted that this category is similar to Corporate Income Tax in its volatility.

In response to a question from Ms. Davis-Burnham, Mr. Glen noted that there has been tremendous consolidation of banks over the years and now

just a few banks account for bulk of the revenue collected in this category. Mr. Bullock emphasized that the volatility that is being driven by national events such as the Dodd-Frank legislation. He thinks that it will take some time to sort through these issues.

Mr. Swayze asked if there were any signs that banks are changing the way that they allocate income to Delaware. Mr. Glen stated that it was difficult to discuss this without reflecting on the tax situation of individual taxpayers. Mr. Swayze added that his interest was with respect to Delaware's position relative to other states and if banks had cause to move income into or out of Delaware. Mr. Glen noted that it is more difficult for states to differentiate themselves from other states than it was when the Financial Development Act was enacted.

In response to a question from Mr. Morgan, Mr. Glen noted that 10 institutions account for nearly all of the revenue collections. He recounted the payment pattern over the past year to demonstrate the volatility. Estimated payments made were reduced and then a large payment was made with the Final return.

Mr. Flowers asked if a potential move of Barclays from the U.K. to the U.S. could potentially impact Delaware's Bank Franchise receipts. Mr. Glen responded that, while the Barclay's credit card operation is in Delaware, there are other affiliates elsewhere. How they chose to source their income would determine the tax paid to Delaware.

**Lottery:** Mr. Lewis said that the increase in this category largely reflected that new competition from neighboring states were not reducing Delaware's revenue as much as originally estimated.

Mr. Cook noted that a recent News Journal article was gleaned from publicly available information.

Mr. Byrd noted that this has become such a large revenue source that all members should visit one of the facilities and observe the operation.

**Abandoned Property:** Mr. Horthy asked for an update on the status of efforts to make sure that we are not overreaching with respect to this category.

Mr. Cook responded that legislation had been passed last year to put in place an appeals process for anyone believing that they were being incorrectly billed. To date, no one has made use of this appeals process.

Mr. Bulloch concurred that there have been no complaints from the

business community about this category since the new legislation was enacted.

Mr. Gregor noted that increases occurring in this category are in the area of regular, annual filings and not increased audits or voluntary disclosures.

**Realty Transfer Tax:** Mr. Lewis noted that a large commercial payment accounted for most of this increase and was not carried forward into FY2012.

**Estate Tax:** Mr. Simpson asked why this estimate was reduced.

Mr. Gregor responded that it is a very volatile category and a mid-range estimate was made at the beginning of the year, which is then adjusted as actual collections are made during the course of the year.

**Insurance Tax:** Mr. Lewis noted that there was a huge payment made in February.

**Cigarette Tax:** Mr. Lewis attributed the decrease to tracking.

Other changes were attributed to tracking.

**FY2011 Estimate Adopted:**

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,438.3 million as the revenue estimate for FY2011.

The estimate represents an increase of \$78.6 million from DEFAC's December estimate.

Mr. Lewis stated that almost all of the increase was attributed to Corporate Income Tax and Bank Franchise Tax. He noted that this is not unexpected activity coming out of a recession.

**General Fund Revenues - Fiscal Year 2012:**

Mr. Lewis reported that the Subcommittee recommended the following updates to December's estimates:

**FY 2012**

Revenue Category	Dec-10	Mar-11	Change
Abandoned Property	390.0	425.0	35.0
Bank Franchise Tax	84.3	109.3	25.0
Lottery	252.1	263.1	11.0
Corporation Income Tax	150.9	160.9	10.0
Insurance Taxes	53.1	58.4	5.3
Estate Tax	25.0	20.0	(5.0)
Cigarette Taxes	133.0	128.2	(4.8)
Hospital Board and Treatment	72.7	68.8	(3.9)
Corporate Fees	83.8	87.2	3.4
Personal Income Tax	1,214.0	1,216.6	2.6
Limited Partnerships & LLC's	164.3	162.8	(1.5)
Realty Transfer Tax	31.7	32.2	0.5
Public Utility Tax	62.5	62.0	(0.5)

For a complete listing of FY 2012 estimates, see Table 2.

**Discussion of FY2012 Estimates:**

**Personal Income Tax:** Mr. Lewis stated that December's growth rates were maintained.

Mr. Morgan asked if the layoffs in the financial sector had been accounted for in the estimate. Mr. Craig responded affirmatively.

Mr. Byrd noted that he tracks the Unemployment Trust Fund and that for the past several months the benefit payouts have been declining and the taxes paid in have been increasing.

**Limited Partnerships & LLC's:** Mr. Lewis stated that the growth rate was reduced from 5.0% to 4.0%.

**Corporate Income Tax:** Mr. Lewis said that not all of the increase made in FY2011 was carried forward. Mr. Cook noted that one recent, large final settlement just received was not carried into FY2012.

**Bank Franchise Tax:** Mr. Lewis said that not all of the increase made in FY2011 was carried forward.

**Estate Tax:** Mr. Lewis noted that the decrease to \$20.0 million reflected the new mid-range estimate.

**Cigarette Tax:** Mr. Lewis stated that a negative growth rate was adopted to reflect the decline in smoking.

Mr. Lewis reported that all other changes reflected the carrying forward of changes made in FY2011.

**FY 2012 Estimate Adopted:**

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,522.0 million as the revenue estimate for FY2012.

The estimate represents an increase of \$77.1 million from the December estimate.

Mr. Lewis stated that almost all of the increase was attributed to Corporate Income Tax, Bank Franchise Tax and Abandoned Property.

Mr. Lewis stated that the FY2013 estimate is \$3,640.2 million and represents growth of 3.4%.

Mr. Lewis observed that we are evolving into a knowledge based economy and that this reduces somewhat the reliance on large corporations to propel the economy. He believes that Delaware is in a good position to do well in this environment.

**Balance and Appropriations Worksheet:** Mr. Gregor presented the balance and appropriations worksheet. The result of this exercise is attached as Table 3.

**Transportation Trust Fund (TTF)**

**TTF -- Expenditures:** Ms. Erickson presented the Transportation Trust Fund's expenditure forecast.

The following changes were made from the December estimate.

**State Capital Expenditure:** Decreased from \$206.2 million to \$191.4 million.

**Federal Capital Expenditure:** Decreased from \$283.6 million to \$265.3 million. Ms. Erickson noted that this reduction is partly explained by a delay in ARRA funding.

**GARVEE Capital Expenditure:** Decreased from \$43.0 million to \$12.6 million. Ms. Erickson noted that Right of Way acquisitions account for much of this expenditure and that it has been delayed.

A motion was made, seconded, and approved to accept \$824.6 million as the FY2011 TTF expenditure estimate. The estimate represents a decrease of \$63.5 million from the December estimate. (See Table 4.)

**TTF -- Revenues:** Ms. Erickson presented the Transportation Trust Fund's revenue forecast.

**FY2011 Estimates:**

The following changes were made from the December estimate.

**Motor Vehicle Document Fees:** Increased from \$62.2 million to \$65.8 million. Ms. Erickson noted that this reflects continued strong vehicle sales across the board.

**Other Transportation Revenues:** Decreased from \$12.0 million to \$10.0 million.

**Investment Income:** Decreased from \$4.0 million to \$3.4 million.

A motion was made, seconded, and approved to accept \$428.6 million as the FY2011 revenue estimate. This represents an increase of \$1.0 million from the December estimate.

**FY2012 Estimates:**

The following changes were made from the December estimate.

**Motor Vehicle Document Fees:** Increased from \$64.0 million to \$67.8



million.

**Investment Income:** Decreased from \$6.0 million to \$4.0 million.

The FY2012 revenue estimate is \$439.3 million. This represents an increase of \$1.8 million from the December estimate. (See Table 5)

**Other Business:**

Mr. Martin announced the next scheduled DEFAC meeting dates:

- April 18, 2011
- May 16, 2011
- June 16, 2011 (Thursday)

Mr. Martin stated that at the June meeting the Subcommittees would meet on the same day as the general meeting.

Mr. Bullock noted that there has been expressed some concern about having the Subcommittee meetings on the Friday before the Monday general meeting. The problem is that outcome of the Subcommittee meeting is reported the next day in the newspaper. Mr. Bullock requested a discussion about having both the Subcommittee meetings and the general meeting on the same day.

Mr. Gregor stated that staff could accommodate this change. There was some question whether all members could commit a full day to DEFAC.

Mr. Martin asked for a show of hands of those who would prefer same day meetings or split day meetings. A majority favored the same day schedule.

Mr. Byrd noted that any members are welcome to attend Subcommittee meetings.

Mr. Martin concluded that he would continue this discussion with Subcommittee Chairs and report back to the full Council.

There being no further business, Mr. Martin adjourned the meeting at 4:20 p.m.

Respectfully submitted,

James A. Craig

Table 1a.

**DEFAC Expenditures Forecast for General Fund Disbursements FY2011 (\$ in millions)**  
**Mar. 2011 (as of 2/28/11)**

[illegible]

**Comments:**

<b>Comments:</b>	<b>FY2004</b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>7-Yr Avg</b>	<b>FY 2011</b>
Expenditures / Spending Authority	90.4%	89.2%	90.0%	90.7%	91.3%	88.4%	92.9%	90.4%	93.2%
Reversions / Spending Authority	1.1%	0.5%	0.4%	0.3%	2.4%	6.6%	1.5%	1.8%	1.1%
Encumbered / Spending Authority	1.0%	1.0%	0.9%	1.0%	0.9%	1.0%	1.1%	1.0%	1.0%
Total Continuing / Spending Authority	7.5%	9.3%	8.8%	8.0%	5.4%	4.0%	4.4%	6.8%	4.7%

Recommended by Expenditures Subcommittee;  
Mar. 18, 2011

Table 1b.

## DEFAC Expenditures Forecast for General Fund Disbursements FY2011 (\$ in millions)

Mar. 2011 (as of 2/28/11)

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	Sep FY2011 Forecast	Dec FY2011 Forecast	Mar FY2011 Forecast	Difference 10 vs. '11	FY2011 YTD (actual 2/28/11)	% spent FY2011 YTD
<b>Salaries</b>	1,023.1	1,108.3	1,167.3	1,222.9	1,225.5	1,154.7	1,220.9	1,193.3	1,240.0	85.3	861.3	69.5%
<b>Fringe Benefits</b>	263.2	298.4	323.5	332.7	332.9	330.9	347.3	373.7	372.7	41.8	249.7	67.0%
<b>Pension</b>	147.1	180.7	201.5	218.6	211.1	196.7	220.1	223.4	227.6	30.9	159.8	70.2%
<b>Debt Service</b>	153.5	132.5	131.2	151.1	156.4	174.3	174.6	172.0	172.0	(2.3)	118.8	69.1%
<b>Grants</b>	294.1	403.1	365.1	259.1	265.8	276.6	424.0	340.5	326.0	49.4	240.3	73.7%
<b>Medicaid</b>	339.1	381.4	441.6	494.2	419.4	428.6	487.0	539.6	538.4	109.8	326.2	60.6%
<b>Public Assistance Programs</b>	83.6	91.7	94.1	97.2	85.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Professional Services</b>	161.3	181.0	216.8	210.6	204.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Contractual Services</b>	228.9	252.2	289.5	296.7	286.8	435.7	360.1	379.4	409.6	(26.1)	279.9	68.3%
<b>Supplies &amp; Materials</b>	66.5	73.6	72.1	72.1	66.6	58.9	54.5	50.9	57.9	(1.1)	37.8	65.3%
<b>Capital Outlay</b>	61.9	77.6	87.2	66.5	41.5	20.1	28.0	26.9	27.2	7.1	19.6	72.1%
<b>FY Budgetary Expenditures</b>	2,822.3	3,180.5	3,389.9	3,421.7	3,295.5	3,076.5	3,316.3	3,299.7	3,371.3	294.8	2,293.4	68.0%

Comments:

# DEFAC General Fund Revenue Worksheet

March-11 DEFAC Meeting		FY 2010			FY 2011			FY 2012				
	Actual Collections	B DEFAC Dec-10	C % B over A	D DEFAC Mar-11	E % D over A	F \$ Increase D over B	G DEFAC Dec-10	H % G over B	I DEFAC Mar-11	J % I over D	K \$ Increase I over G	
Revenue Category												
Personal Income Tax	1,061.5 (208.4)	1,136.7 (185.0)	7.1%	1,139.8 (185.0)	7.4%	3.1	1,214.0 (186.3)	6.8%	1,216.6 (186.3)	6.7%	2.6	
Less: Refunds			-11.2%		-11.2%	0.0		0.7%		0.7%	0.0	
PIT Less Refunds	853.1	951.7	11.6%	954.8	11.9%	3.1	1,027.7	8.0%	1,030.3	7.9%	2.6	
Franchise Tax	633.1	622.5	-1.7%	622.5	-1.7%	0.0	634.9	2.0%	634.9	2.0%	0.0	
Limited Partnerships & LLC's	145.0	156.5	7.9%	156.5	7.9%	0.0	164.3	5.0%	162.8	4.0%	(1.5)	
Subtotal Franchise + LP/LLC	778.1	779.0	0.1%	779.0	0.1%	0.0	799.2	2.6%	797.7	2.4%	(1.5)	
Less: Refunds	(13.0)	(12.0)	-7.7%	(12.0)	-7.7%	0.0	(12.0)	0.0%	(12.0)	0.0%	0.0	
Net Franchise + LP/LLC	765.1	767.0	0.3%	767.0	0.3%	0.0	787.2	2.6%	785.7	2.4%	(1.5)	
Business Entity Fees	74.9	79.8	6.6%	83.0	10.9%	3.2	83.8	5.0%	87.2	5.1%	3.4	
Uniform Commercial Code	14.1	16.2	14.6%	16.2	14.6%	0.0	16.7	3.1%	16.7	3.1%	0.0	
Corporation Income Tax	125.6 (37.7)	175.8 (65.0)	40.0%	200.0 (55.0)	59.3%	24.2	150.9 (36.8)	-14.2%	160.9 (36.8)	-19.6%	10.0	
Less: Refunds			72.4%		45.9%	10.0		-43.4%		-33.1%	0.0	
CIT Less Refunds	87.9	110.8	26.1%	145.0	65.0%	34.2	114.1	3.0%	124.1	-14.4%	10.0	
Bank Franchise Tax	54.0	76.3	41.3%	115.4	113.7%	39.1	84.3	10.5%	109.3	-5.3%	25.0	
Gross Receipts Tax	194.6	195.0	0.2%	195.0	0.2%	0.0	214.5	10.0%	214.5	10.0%	0.0	
Lottery	275.5	272.8	-1.0%	282.0	2.4%	9.2	252.1	-7.6%	263.1	-6.7%	11.0	
Abandoned Property	493.2	424.0	-14.0%	424.0	-14.0%	0.0	390.0	-8.0%	425.0	0.2%	35.0	
Hospital Board and Treatment	74.7	71.4	-4.4%	69.7	-6.6%	(1.7)	72.7	1.8%	68.8	-1.3%	(3.9)	
Dividends and Interest	10.9	11.0	0.9%	11.0	0.9%	0.0	12.1	10.0%	12.1	10.0%	0.0	
Realty Transfer Tax	46.9	42.5	-9.3%	45.0	-4.0%	2.5	31.7	-25.4%	32.2	-28.4%	0.5	
Estate Tax	0.3	24.0	8063.3%	15.0	5002.0%	(9.0)	25.0	4.2%	20.0	33.3%	(5.0)	
Insurance Taxes	51.8	50.5	-2.6%	55.5	7.1%	5.0	53.1	5.1%	58.4	5.2%	5.3	
Public Utility Tax	56.7	59.5	4.9%	59.0	4.1%	(0.5)	62.5	5.0%	62.0	5.1%	(0.5)	
Cigarette Taxes	132.3	133.0	0.5%	129.5	-2.1%	(3.5)	133.0	0.0%	128.2	-1.0%	(4.8)	
Other Revenues	86.5	126.9	46.7%	129.4	49.6%	2.5	116.4	-8.3%	116.4	-10.0%	0.0	
Less: Other Refunds	(37.3)	(52.7)	41.4%	(58.2)	56.2%	(5.5)	(32.0)	-39.3%	(32.0)	-45.0%	0.0	
Net Receipts	3,235.1	3,359.7	3.9%	3,438.3	6.3%	78.6	3,444.9	2.5%	3,522.0	2.4%	77.1	

FY 2012 Debt Limit: \$176.1

Table 2.  
DEFAC General Fund Revenue Worksheet

March-11		FY 2013				
DEFAC Meeting		L	M	N	O	P
Revenue Category		DEFAC Dec-10	% L over G	DEFAC Mar-11	% N over I	\$ Increase N over L
Personal Income Tax		1,279.7	5.4%	1,282.5	5.4%	2.8
Less: Refunds		(195.7)	5.0%	(195.7)	5.0%	0.0
PIT Less Refunds		1,084.0	5.5%	1,086.8	5.5%	2.8
Franchise Tax		647.6	2.0%	647.6	2.0%	0.0
Limited Partnerships & LLC's		172.5	5.0%	169.3	4.0%	(3.2)
Subtotal Franchise + LP/LLC		820.1	2.6%	816.9	2.4%	(3.2)
Less: Refunds		(12.0)	0.0%	(12.0)	0.0%	0.0
Net Franchise + LP/LLC		808.1	2.7%	804.9	2.4%	(3.2)
Business Entity Fees		88.0	5.0%	91.5	4.9%	3.5
Uniform Commercial Code		17.2	3.0%	17.2	3.0%	0.0
Corporation Income Tax		157.4	4.3%	167.8	4.3%	10.4
Less: Refunds		(38.6)	4.9%	(38.6)	4.9%	0.0
CIT Less Refunds		118.8	4.1%	129.2	4.1%	10.4
Bank Franchise Tax		88.4	4.9%	114.7	4.9%	26.3
Gross Receipts Tax		225.2	5.0%	225.2	5.0%	0.0
Lottery		261.8	3.8%	264.2	0.4%	2.4
Abandoned Property		390.0	0.0%	425.0	0.0%	35.0
Hospital Board and Treatment		75.0	3.2%	69.8	1.5%	(5.2)
Dividends and Interest		13.5	11.6%	13.5	11.6%	0.0
Realty Transfer Tax		33.3	5.0%	33.8	5.0%	0.5
Estate Tax		26.5	6.0%	21.2	6.0%	(5.3)
Insurance Taxes		55.8	5.1%	61.3	5.0%	5.5
Public Utility Tax		65.6	5.0%	65.0	4.8%	(0.6)
Cigarette Taxes		133.0	0.0%	126.9	-1.0%	(6.1)
Other Revenues		122.8	5.5%	122.8	5.5%	0.0
Less: Other Refunds		(32.8)	2.5%	(32.8)	2.5%	0.0
Net Receipts		3,574.2	3.8%	3,640.2	3.4%	66.0

Table 3.

# Balance and Appropriations Worksheet

FY 2011 EXPENDITURES		FY 2011 BALANCES		FY 2012 APPROPRIATION LIMITS	
Total Spending Authority	\$3,616.3	Total Expenditures	\$3,371.3	FY 2012 Revenue Estimate	\$3,522.0
Less: Continuing Appropriations & Encumbrances from FY 2011	(\$205.0)	vs. FY 2011 Revenues	3,438.3	Unencumbered Cash Balance from FY 11	\$212.7
Less: Reversions	<u>(\$40.0)</u>	Operating Balance	67.0	100% Appropriation Limit	\$3,734.7
Total Expenditures	\$3,371.3	Prior Year Cash Balance	<u>\$537.1</u>	98% Appropriation Limit	<u>\$3,660.0</u>
		Cumulative Cash Balance	604.1	Prior 98% Appropriation Limit	\$3,507.4
		Less: Continuing Appropriations & Encumbrances from FY 2011	(205.0)	Increase (Decrease) from Prior Meeting	\$152.6
		Less: Budgetary Reserve Account	<u>(\$186.4)</u>	Sept. 2010 98% Appropriation Limit	\$3,464.7
		Unencumbered Cash Balance 6/30	\$212.7	Increase (Decrease) from September 2010	\$195.3



Table 4.

Delaware Department of Transportation FY 2011 Expenditures , February 28, 2011										67%
	FY2009 Actual	FY2010 Actual	FY2011 Appropriation	SEPTEMBER FY2011 Forecast	DECEMBER FY2011 Forecast	MARCH FY2011 Forecast	\$ difference FY2010 Actual	FY2011 YTD Spend	% spent YTD	
Operations										
Debt Service	122.3	121.5	129.5	129.5	123.1	123.1	1.6	82.3	66.9%	
Personnel Costs	87.2	83.4	86.3	86.3	86.3	86.3	2.9	58.2	67.4%	
Operations/Capital Outlay	50.6	59.6	55.5	55.5	55.5	55.5	(4.1)	26.6	47.9%	
Transit Operations (DTC)	87.7	90.0	90.4	90.4	90.4	90.4	0.4	60.3	66.7%	
Total Expenditures - Operations	347.8	354.5	361.7	361.7	355.3	355.3	0.0	227.4	64.0%	
Capital (State)			CTP							
Road System	127.5	124.0	142.4	142.4	130.1	126.1	(4.0)	57.3	45.4%	
Grants & Allocations	23.0	13.5	40.7	40.7	40.7	29.9	(10.8)	10.6	35.5%	
Support Systems	58.3	24.0	25.5	25.5	25.5	25.5	0.0	7.9	31.0%	
Transit	14.7	8.8	10.3	10.3	9.9	9.9	1.1	2.9	29.3%	
Total Expenditures- State Capital	223.5	170.3	218.9	218.9	206.2	191.4	(14.8)	78.7	41.1%	
Capital (Federal)			CTP							
Federal Capital	201.5	239.1	329.3	329.3	283.6	265.3	(18.3)	128.4	48.4%	
Capital (GARVEE)			CTP							
GARVEE - US301	0.0	0.0	71.9	71.9	43.0	12.6	(30.4)	7.6	60.3%	
Total Expenditures - Capital	425.0	409.4	620.1	620.1	532.8	469.3	(63.5)	214.7	45.7%	
TOTAL EXPENDITURES	772.8	763.9	981.8	981.8	888.1	824.6	(63.5)	442.1	53.6%	

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION Transportation Trust Fund Revenues									
	FY 09	FY 10	% Chg.	Fiscal 2011			Fiscal 2012		
				12/20/2010 Approved	3/21/2011 Recomm	% Chg. FY 10	12/20/2010 Approved	3/21/2011 Recomm	% Chg. FY 11
<b><u>TOLL ROAD REVENUES:</u></b>									
I95 Newark Plaza	\$118.8	\$117.2	-1.3%	\$113.0	\$113.0	-3.6%	\$114.0	\$114.0	0.9%
Route 1 Toll Road	44.5	45.5	2.2%	\$45.7	\$45.7	0.0%	\$46.0	\$46.0	0.7%
Concessions	2.4	2.2	-8.3%	\$2.3	\$2.3	5.3%	\$2.5	\$2.5	8.7%
<b>Total Toll Road Revenues</b>	165.7	164.9	-0.5%	\$161.0	\$161.0	-2.4%	\$162.5	\$162.5	0.9%
<b><u>MOTOR FUEL TAX ADMIN.</u></b>									
	119.5	115.7	-3.2%	\$117.9	\$117.9	1.9%	\$120.3	\$120.3	2.0%
<b><u>DIVISION OF MOTOR VEHICLES</u></b>									
Motor Vehicle Document Fees	56.2	58.4	3.9%	\$62.2	\$65.8	12.8%	\$64.0	\$67.8	3.0%
Motor Vehicle Registration Fees	43.3	44.5	2.8%	\$47.0	\$47.0	5.6%	\$48.4	\$48.4	3.0%
Other DMV Revenues	22.5	22.8	1.3%	\$23.5	\$23.5	3.0%	\$24.2	\$24.2	3.0%
<b>Total DMV Revenues</b>	122.0	125.7	3.0%	\$132.7	\$136.3	8.4%	\$136.6	\$140.4	3.0%
<b><u>OTHER TRANSPORTATION REV.</u></b>									
Other Transportation Rev	8.3	11.0	32.5%	\$12.0	\$10.0	-9.4%	\$12.1	\$12.1	21.0%
Investment Income(Net)	4.7	2.3	-51.1%	\$4.0	\$3.4	47.7%	\$6.0	\$4.0	17.6%
<b>Total Other Transp. Revenue</b>	13.0	13.3	2.3%	\$16.0	\$13.4	0.8%	\$18.1	\$16.1	20.1%
<b>GRAND TOTAL</b>	\$420.2	\$419.6	-0.1%	\$427.6	\$428.6	2.1%	\$437.5	\$439.3	2.5%
					\$1.0			\$1.8	